

# Senate Study Bill 1204

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON LAMBERTI)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to and making appropriations from the healthy  
2 Iowans tobacco trust and the tobacco settlement trust fund.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 3481SC 80  
5 pf/cl/14

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1 1 Section 1. HEALTHY IOWANS TOBACCO TRUST == APPROPRIATIONS  
1 2 TO DEPARTMENTS. There is appropriated from the healthy Iowans  
1 3 tobacco trust created in section 12.65 to the following  
1 4 departments for the fiscal year beginning July 1, 2003, and  
1 5 ending June 30, 2004, the following amounts, or so much  
1 6 thereof as is necessary, to be used for the purposes  
1 7 designated:  
1 8 1. To the department of human services:  
1 9 a. Unless otherwise provided, to maintain the  
1 10 reimbursement rate for all noninstitutional medical assistance  
1 11 providers, with the exception of anesthesia and dental  
1 12 services, at the rate provided under the federal Medicare  
1 13 program for such providers during the fiscal year beginning  
1 14 July 1, 2000, and ending June 30, 2001, as specified in 2000  
1 15 Iowa Acts, chapter 1221, section 1, subsection 1, paragraph  
1 16 "a", for the fiscal year July 1, 2003, through June 30, 2004,  
1 17 and to continue the resource-based relative value system of  
1 18 reimbursement under the medical assistance program:  
1 19 ..... \$ 8,095,718  
1 20 b. To maintain the reimbursement rate at the usual and  
1 21 customary rate as established in 2000 Iowa Acts, chapter 1221,  
1 22 section 1, subsection 1, paragraph "b", for the fiscal year  
1 23 July 1, 2003, through June 30, 2004, for dental services under  
1 24 the medical assistance program:  
1 25 ..... \$ 3,814,973  
1 26 c. To maintain the reimbursement rate as established in  
1 27 2000 Iowa Acts, chapter 1221, section 1, subsection 1,  
1 28 paragraph "e", for the fiscal year July 1, 2003, through June  
1 29 30, 2004, for hospitals under the medical assistance program:  
1 30 ..... \$ 3,035,278  
1 31 d. To maintain the reimbursement rate as established in  
1 32 2000 Iowa Acts, chapter 1221, section 1, subsection 1,  
1 33 paragraph "f", for the fiscal year July 1, 2003, through June  
1 34 30, 2004, for home health care services under the medical  
1 35 assistance program:  
2 1 ..... \$ 2,108,279  
2 2 e. To maintain the reimbursement rate as established in  
2 3 2000 Iowa Acts, chapter 1221, section 1, subsection 1,  
2 4 paragraph "g", for the fiscal year July 1, 2003, through June  
2 5 30, 2004, for critical access hospitals under the medical  
2 6 assistance program:  
2 7 ..... \$ 250,000  
2 8 f. To maintain the expansion of home health care services  
2 9 and habilitative day care as established in 2000 Iowa Acts,  
2 10 chapter 1221, section 1, subsection 1, paragraph "h", under  
2 11 the medical assistance program for children with special  
2 12 needs:  
2 13 ..... \$ 1,975,496  
2 14 g. To maintain the expansion of respite care services  
2 15 provided through home and community-based waivers as  
2 16 established in 2000 Iowa Acts, chapter 1221, section 1,  
2 17 subsection 1, paragraph "i", under the medical assistance  
2 18 program:  
2 19 ..... \$ 1,137,309  
2 20 h. To maintain the cost-of-living adjustment as  
2 21 established in 2000 Iowa Acts, chapter 1221, section 1,  
2 22 subsection 1, paragraph "c", for the fiscal year July 1, 2003,

2 23 through June 30, 2004, for rehabilitative treatment and  
 2 24 support services providers under child and family services:  
 2 25 ..... \$ 3,243,026  
 2 26 i. To maintain the cost-of-living adjustment as  
 2 27 established in 2000 Iowa Acts, chapter 1221, section 1,  
 2 28 subsection 1, paragraph "d", for the fiscal year July 1, 2003,  
 2 29 through June 30, 2004, for adoption, independent living,  
 2 30 shelter care, and home studies services providers:  
 2 31 ..... \$ 468,967  
 2 32 j. To maintain the reimbursement rate as established in  
 2 33 2000 Iowa Acts, chapter 1221, section 1, subsection 1,  
 2 34 paragraph "j", for the fiscal year July 1, 2003, through June  
 2 35 30, 2004, to service providers under the purview of the  
 3 1 department of human services:  
 3 2 ..... \$ 545,630  
 3 3 2. To the department of human services to continue the  
 3 4 supplementation of the children's health insurance program  
 3 5 appropriation:  
 3 6 ..... \$ 200,000  
 3 7 3. To the department of human services to provide coverage  
 3 8 under the medical assistance program to women who require  
 3 9 treatment for breast or cervical cancer as provided in section  
 3 10 249A.3, subsection 2, paragraph "b":  
 3 11 ..... \$ 250,000  
 3 12 4. To the department of human services to continue the  
 3 13 supplementation of the medical assistance appropriation:  
 3 14 ..... \$ 14,346,750  
 3 15 Of the amount appropriated in this subsection \$100,000  
 3 16 shall be used to continue the efforts of the Iowa chronic care  
 3 17 consortium.  
 3 18 5. To the Iowa department of public health:  
 3 19 a. For the tobacco use prevention and control initiative,  
 3 20 including efforts at the state and local levels, as provided  
 3 21 in chapter 142A and for not more than the following full-time  
 3 22 equivalent positions:  
 3 23 ..... \$ 5,000,000  
 3 24 ..... FTEs 7.00  
 3 25 (1) The director of public health shall dedicate  
 3 26 sufficient resources to promote and ensure retailer compliance  
 3 27 with tobacco laws and ordinances relating to persons under 18  
 3 28 years of age, and shall prioritize the state's compliance in  
 3 29 the allocation of available funds to comply with 42 U.S.C. }  
 3 30 300x=26 and section 453A.2.  
 3 31 (2) Of the full-time equivalent positions funded under  
 3 32 this section, two full-time equivalent positions shall be  
 3 33 utilized to provide for enforcement of tobacco laws,  
 3 34 regulations, and ordinances under a chapter 28D agreement  
 3 35 entered into between the Iowa department of public health and  
 4 1 the alcoholic beverages division of the department of  
 4 2 commerce.  
 4 3 (3) Of the funds appropriated in this paragraph "a", not  
 4 4 more than \$525,759 shall be expended on administration and  
 4 5 management of the program.  
 4 6 (4) Of the funds appropriated in this paragraph "a", not  
 4 7 less than 80 percent of the amount expended in the fiscal year  
 4 8 beginning July 1, 2001, for community partnerships shall be  
 4 9 expended in the fiscal year beginning July 1, 2003, for that  
 4 10 purpose.  
 4 11 b. For provision of smoking cessation products as provided  
 4 12 in this paragraph:  
 4 13 ..... \$ 75,000  
 4 14 The department shall award grants to free health clinics  
 4 15 that are tax-exempt organizations pursuant to 26 U.S.C. } 501  
 4 16 (c)(3) to fund the provision of smoking cessation products to  
 4 17 patients. The department shall adopt a methodology for the  
 4 18 awarding of the grants to the health clinics based upon the  
 4 19 order of receipt of applications.  
 4 20 c. For additional substance abuse treatment under the  
 4 21 substance abuse treatment program:  
 4 22 ..... \$ 11,800,000  
 4 23 (1) The department shall use funds appropriated in this  
 4 24 paragraph "c" to enhance the quality of and to expand the  
 4 25 capacity to provide 24-hour substance abuse treatment  
 4 26 programs.  
 4 27 (2) The department shall use funds appropriated in this  
 4 28 paragraph "c" to expand the length of individual client  
 4 29 substance abuse treatment plans, as necessary to reduce  
 4 30 program recidivism.  
 4 31 (3) The department shall use funds appropriated in this  
 4 32 paragraph "c" to share research-based best practices for  
 4 33 treatment with substance abuse treatment facilities.

4 34 (4) The department shall use funds appropriated in this  
 4 35 paragraph "c" to develop a results-based funding approach for  
 5 1 substance abuse treatment services.  
 5 2 (5) The department shall use funds appropriated in this  
 5 3 paragraph "c" to develop a program to encourage individuals  
 5 4 who are successfully managing their substance abuse problems  
 5 5 to serve as role models.  
 5 6 (6) The department shall submit a report annually by March  
 5 7 1, to the governor and the general assembly delineating the  
 5 8 success rates of the substance abuse treatment programs that  
 5 9 receive funding under this paragraph "c".  
 5 10 d. For the healthy Iowans 2010 plan within the Iowa  
 5 11 department of public health and for not more than the  
 5 12 following full-time equivalent positions:  
 5 13 ..... \$ 2,200,000  
 5 14 ..... FTEs 4.00  
 5 15 (1) Of the funds appropriated in this paragraph "d", not  
 5 16 more than \$1,157,482 shall be used for core public health  
 5 17 functions, including home health care and public health  
 5 18 nursing services, contracted through a formula by local boards  
 5 19 of health, to enhance disease and injury prevention services.  
 5 20 (2) Of the funds appropriated in this paragraph "d", not  
 5 21 more than \$387,320 shall be used for the continuation and  
 5 22 support of a coordinated system of delivery of trauma and  
 5 23 emergency medical services.  
 5 24 (3) Of the funds appropriated in this paragraph "d", not  
 5 25 more than \$437,000 shall be used for the state poison control  
 5 26 center.  
 5 27 (4) Of the funds appropriated in this paragraph "d", not  
 5 28 more than \$141,810 shall be used for the development of  
 5 29 scientific and medical expertise in environmental  
 5 30 epidemiology.  
 5 31 (5) Of the funds appropriated in this paragraph "d", not  
 5 32 more than \$76,388 shall be used for the childhood lead  
 5 33 poisoning prevention program.  
 5 34 6. To the department of corrections:  
 5 35 ..... \$ 860,000  
 6 1 a. Of the funds appropriated in this subsection, \$127,217  
 6 2 is allocated to the second judicial district department of  
 6 3 correctional services to replace expired federal funding for  
 6 4 day programming.  
 6 5 b. Of the funds appropriated in this subsection \$35,359 is  
 6 6 allocated to the third judicial district department of  
 6 7 correctional services to replace expired federal funding for  
 6 8 the drug court program.  
 6 9 c. Of the funds appropriated in this subsection, \$191,731  
 6 10 is allocated to the fourth judicial district department of  
 6 11 correctional services for a drug court program.  
 6 12 d. Of the funds appropriated in this subsection, \$255,693  
 6 13 is allocated to the fifth judicial district department of  
 6 14 correctional services to replace expired funding for the drug  
 6 15 court program.  
 6 16 e. Of the funds appropriated in this subsection \$250,000  
 6 17 is allocated to the Newton correctional facility for a value=  
 6 18 based treatment program.  
 6 19 Sec. 2. PURCHASE OF SERVICE CONTRACT PROVIDERS ==  
 6 20 REIMBURSEMENT INCREASE. There is appropriated from the  
 6 21 healthy Iowans tobacco trust created in section 12.65 to the  
 6 22 property tax relief fund created in section 426B.1 for the  
 6 23 fiscal year beginning July 1, 2003, and ending June 30, 2004,  
 6 24 the following amount, or so much thereof as is necessary, to  
 6 25 be used for the purposes designated:  
 6 26 For assistance to the counties with limited county mental  
 6 27 health, mental retardation, and developmental disabilities  
 6 28 services fund balances which were selected in accordance with  
 6 29 2000 Iowa Acts, chapter 1221, section 3, to receive such  
 6 30 assistance in the same amount provided during the fiscal year  
 6 31 beginning July 1, 2000, and ending June 30, 2001, to pay  
 6 32 reimbursement increases in accordance with 2000 Iowa Acts,  
 6 33 chapter 1221, section 3:  
 6 34 ..... \$ 146,750  
 6 35 Sec. 3. IOWA EMPOWERMENT FUND. There is appropriated from  
 7 1 the healthy Iowans tobacco trust created in section 12.65, to  
 7 2 the Iowa empowerment fund created in section 28.9 for the  
 7 3 fiscal year beginning July 1, 2003, and ending June 30, 2004,  
 7 4 for deposit in the school ready children grants account and  
 7 5 for distribution as provided in this section:  
 7 6 ..... \$ 2,153,250  
 7 7 Sec. 4. DEPARTMENT OF CORRECTIONS == SPECIAL NEEDS UNIT.  
 7 8 There is appropriated from the healthy Iowans tobacco trust  
 7 9 created in section 12.65, to the department of corrections for

7 10 the fiscal year beginning July 1, 2003, and ending June 30,  
7 11 2004, the following amount, or so much thereof as is  
7 12 necessary, to be used for the purpose designated:  
7 13 For operating the special needs unit at the Fort Madison  
7 14 correctional facility and for not more than the following  
7 15 full-time equivalent positions:  
7 16 ..... \$ 1,100,000  
7 17 ..... FTEs 17.87

7 18 Sec. 5. RISK POOL APPROPRIATION == TRANSFER.  
7 19 Notwithstanding 2002 Iowa Acts, chapter 1175, section  
7 20 104, subsection 1, paragraph "b", as amended by 2003  
7 21 Iowa Acts, House File 667, section 41, if enacted,  
7 22 moneys appropriated for the fiscal year beginning July  
7 23 1, 2003, and ending June 30, 2004, for deposit in the  
7 24 risk pool pursuant to that paragraph shall be  
7 25 transferred to the medical assistance appropriation  
7 26 for the same fiscal year.

7 27 Sec. 6. ENDOWMENT FOR IOWA'S HEALTH ACCOUNT ==  
7 28 TRANSFER. In addition to the amount transferred  
7 29 pursuant to section 12E.12, subsection 1, paragraph  
7 30 "b", subparagraph (2), subparagraph subdivision (b),  
7 31 \$4,600,000 is transferred from the endowment for  
7 32 Iowa's health account of the tobacco settlement trust  
7 33 fund created in section 12E.12 to the healthy Iowans  
7 34 tobacco trust created in section 12.65 for the fiscal  
7 35 year beginning July 1, 2003, and ending June 30, 2004.

8 1 EXPLANATION

8 2 This bill relates to and makes appropriations from the  
8 3 healthy Iowans tobacco trust.

8 4 The bill makes appropriations to the department of human  
8 5 services for the following:

8 6 1. Unless otherwise provided, to maintain the  
8 7 reimbursement rate for all noninstitutional providers at the  
8 8 rate paid under the federal Medicare program during FY 2000=  
8 9 2001, and for continuation of the resource-based relative  
8 10 value system, for the fiscal year beginning July 1, 2003, and  
8 11 ending June 30, 2004.

8 12 2. To maintain the reimbursement rate for dental services  
8 13 at the usual and customary rate as provided during FY 2000=  
8 14 2001, for the fiscal year beginning July 1, 2003, and ending  
8 15 June 30, 2004.

8 16 3. To maintain the reimbursement rate for hospitals as  
8 17 provided during FY 2000=2001, for the fiscal year beginning  
8 18 July 1, 2003, and ending June 30, 2004.

8 19 4. To maintain the reimbursement rate for home health  
8 20 agencies at the rate provided to such agencies as provided  
8 21 during FY 2000=2001, for the fiscal year beginning July 1,  
8 22 2003, and ending June 30, 2004.

8 23 5. To maintain the reimbursement rate for critical access  
8 24 hospitals at the rate provided such hospitals under the  
8 25 federal Medicare program during FY 2000=2001, for the fiscal  
8 26 year beginning July 1, 2003, and ending June 30, 2004.

8 27 6. To maintain the expansion of home health care services  
8 28 and habilitative day care services under the medical  
8 29 assistance program for children with special needs.

8 30 7. To maintain the expansion of respite care services  
8 31 provided through home and community-based waiver services  
8 32 under the medical assistance program.

8 33 8. To maintain the cost-of-living adjustment for  
8 34 rehabilitative treatment services providers as provided during  
8 35 FY 2000=2001, for the fiscal year beginning July 1, 2003, and  
9 1 ending June 30, 2004.

9 2 9. To maintain the cost-of-living adjustment for adoption,  
9 3 independent living, shelter care, and home studies services  
9 4 providers as provided during FY 2000=2001, for the fiscal year  
9 5 beginning July 1, 2003, and ending June 30, 2004.

9 6 10. To maintain the reimbursement rate as provided during  
9 7 FY 2000=2001 for service providers under the purview of the  
9 8 department of human services.

9 9 The bill provides for supplementation of the appropriation  
9 10 for the children's health insurance program.

9 11 The bill appropriates funds to the department of human  
9 12 services to provide coverage under the medical assistance  
9 13 program to certain women who require treatment for breast or  
9 14 cervical cancer.

9 15 The bill provides for supplementation of the medical  
9 16 assistance appropriation.

9 17 The bill appropriates funds to the Iowa department of  
9 18 public health for the tobacco use prevention and control  
9 19 program and for additional substance abuse treatment. Under  
9 20 this appropriation, the department is directed to enhance the

9 21 quality of and to expand capacity to provide 24-hour substance  
9 22 abuse treatment programs for children; to expand the length of  
9 23 individual client substance abuse treatment plans, as  
9 24 necessary to reduce recidivism; to share research-based best  
9 25 practices for treatment with substance abuse treatment  
9 26 facilities; to develop a results-based funding approach for  
9 27 substance abuse treatment services; and to develop a program  
9 28 to encourage individuals who are successfully managing their  
9 29 substance abuse problems to serve as role models.

9 30 The bill appropriates funds to the Iowa department of  
9 31 public health for development of a healthy Iowans 2010 plan  
9 32 for the following purposes: for core public health functions  
9 33 including home health care and public health nursing services  
9 34 contracted through a formula by local boards of health, to  
9 35 enhance disease and injury prevention services; for the  
10 1 implementation and support of a coordinated system of delivery  
10 2 of trauma and emergency medical services; for the poison  
10 3 control center; for development of scientific and medical  
10 4 expertise in environmental epidemiology; and for the childhood  
10 5 lead poisoning prevention program. The bill appropriates  
10 6 funds to the Iowa department of public health for smoking  
10 7 cessation products.

10 8 The bill appropriates funds to the department of  
10 9 corrections for day programming, the drug court program, and a  
10 10 value-based treatment program.

10 11 The bill appropriates funds to the property tax relief fund  
10 12 for the fiscal year beginning July 1, 2003, and ending June  
10 13 30, 2004, for assistance to counties with limited county  
10 14 mental health, mental retardation, and developmental  
10 15 disabilities services fund balances to pay reimbursement  
10 16 increases in the same amount as provided in the fiscal year  
10 17 beginning July 1, 2000, and ending June 30, 2001.

10 18 The bill appropriates funds from the healthy Iowans tobacco  
10 19 trust to the Iowa empowerment fund for the fiscal year  
10 20 beginning July 1, 2003, and ending June 30, 2004, for deposit  
10 21 in the school ready children grants account.

10 22 The bill appropriates funds to the department of  
10 23 corrections from the healthy Iowans tobacco trust for  
10 24 operation and staffing of a special needs unit at the Fort  
10 25 Madison correctional facility.

10 26 The bill transfers moneys appropriated for the county  
10 27 mental health, mental retardation, and developmental  
10 28 disabilities allowed growth factor adjustment for the risk  
10 29 pool for fiscal year 2003=2004 to the medical assistance  
10 30 appropriation.

10 31 The bill also transfers additional moneys from the  
10 32 endowment for Iowa's health account to the healthy Iowans  
10 33 tobacco trust for fiscal year 2003=2004.

10 34 LSB 3481SC 80

10 35 pf/cl/14.1